

Payments party data combinations for different use cases

Use case 12: Level 2 Indirect Scheme Participant Payment Collection via Direct Debit

Level 1 Payment Service Provider (PSP1) is the customer of LHV and has an active Indirect Scheme Access Service contract with LHV.

Level 2 Payment Service Provider (PSP2) is the customer of PSP1.

Technical Account (so called *Master Account* in the Indirect Scheme Access Service contract) is opened with LHV and belongs to the PSP1.

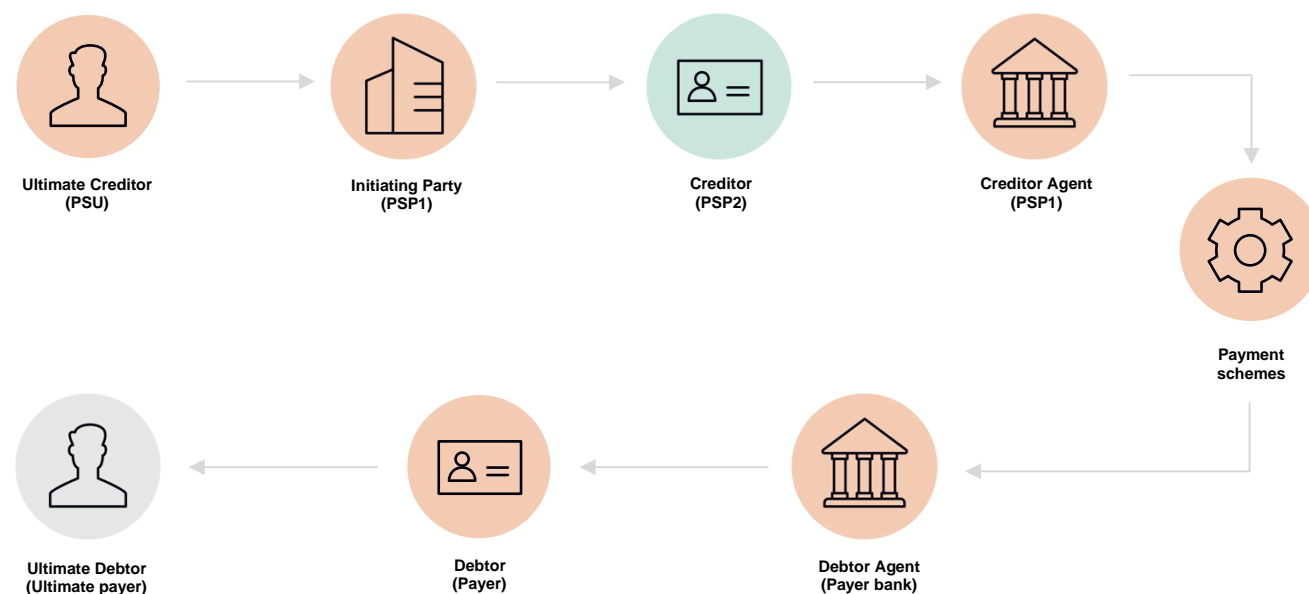
Collection account is opened with PSP2 and belongs to the PSP2's client.

Incoming funds belong to the end customer (PSP2's client).

Use case:

Indirect Scheme Member (PSP1) mediates the Direct Debit to collect payments on behalf of the end customer (PSP2's client).

Indirect Scheme Participant Level2 Customer Direct Debit



Actors and parties:

PSU – Payment Service User – the client of PSP2 and the owner of incoming funds. PSU acts as the actual **beneficiary** of the collected payments. The beneficiary's name and address (or other options) must be provided in the **Ultimate Creditor block** of the direct debit initiation message. It is recommended to provide the beneficiary's address and/or additional data so that the order with a partial match do not get stuck in AML controls. It is mandatory to provide the beneficiary's name and address if any of the parties (PSP1, PSP2, Debtor Agent) is located outside the EU/EEA (EU Regulation 2015/847).

PSP1 – Payment Service Provider – the customer of LHV, the Indirect Scheme Participant and the Technical Account owner. PSP1 acts as the **collection services provider for the PSP2**. PSP1 data must be provided in the **Initiating Party block** of the direct debit initiation message. BIC is the preferred option to be provided in the Initiating Party block, if BIC is not available then the name and address of the PSP1. PSP1 data should not be duplicated in the Creditor Agent block.

PSP2 – Level 2 Payment Service Provider – the customer of PSP1. PSP2 acts as the **collection service provider for the PSU**. PSP2 data must be provided in the **Creditor block** of the direct debit initiation message. It is recommended to provide the Creditor's address and/or additional data so that the order with a partial match do not get stuck in AML controls. It is mandatory to provide the Creditor's name and address address if any of the parties (PSP1, PSP2, Debtor Agent) is located outside the EU/EEA (EU Regulation 2015/847). The PSP2 to which the Creditor Identifier Code (CI) has been issued must be indicated in the Creditor block.

LHV – LHV bank – act as the **direct debit service intermediary**, forwards direct debit orders to the scheme and credits the PSP1's Technical Account opened with LHV.